



March 29, 2023

Esteemed members of the senate - Thank you for working to utilize some of the surplus funds in the recovery of damaged properties in our devastated corridors. Lake Street is an important hub of commerce, culture, and community in our state. I'd like to urge you to provide funding to support equitable development projects.

As an African American woman, and Director of Property Development at the 50+ year old non-profit community development corporation Seward Redesign, Inc., I am proud to be co-developing several equitable development projects with black-owned business leaders from the community. The number one priority for the affected community is access to ownership, of both the property that house their businesses and the process of redevelopment. In order to have success in these projects, we pulled together complicated capital stacks of mostly public funding in the form of forgivable loans, grants and tax credit financing. These projects would not be possible with flexible financing including 0% interest loans, recoverable loans that act as cash, and grants. Without flexible financing, the rent required to pay back the expensive financing will be unaffordable for local BIPOC owned small business that have been on the corridors for years.

In response to multiple tragedies of 2020, the community is working toward generational wealth, a desire to have greater control over the economic development of the community, and a desire to combat gentrification and displacement. Providing funding for equitable development projects will help to support emerging real estate developers of color. These developers often face significant barriers to entry in the real estate ownership, such as lack of access to capital, resources, and networks. By providing funding for equitable development projects, we can help to level the playing field and support these emerging developers in bringing their projects to fruition.

The key rebuilding and equitable development projects that have the most impact are large, have high construction costs, and high financing gaps. The responding programs from the surplus, need to be just as high to meet the need. The total need is over 94 million dollars. Ideally grants would be available in the 5-10 million dollar range, and loan available in the 10-20 million range.

So I urge you to support the appropriate funding for recovery and equitable development projects. By doing so, you will be helping to support the businesses, families, and communities that call these corridors home, and you will be helping to create a more equitable future for all of Minnesota.

Taylor Smrikarova, Director of Property Development

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*Community Developers*

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